

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4847-01
Bill No.: HB 2031
Subject: Business and Commerce, Motor Vehicles, Revenue Dept.
Type: Original
Date: March 8, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR), Division of Motor Vehicle and Drivers Licensing** assume that DOR's responsibility is to only approve the training classes required and to notify the dealers of the class requirement quarterly (class dates and times). This fiscal analysis is based on the assumption that DOR would not develop the training and/or printed materials, hold the training or print the materials. If this is not the sponsor's intent, there would be a cost associated with these issues and the department would require additional funding as appropriate.

Based on the assumption that the Motor Vehicle Bureau (MVB) would only notify dealers of the training requirement, the MVB would prepare 4 mailings per year and notify the dealers of the dates and times of the classes. Currently, we have approximately 4,500 used automobile dealers ($4500 \times 4 = 18,000$ notifications). This will require 75 hours of overtime for a Senior Office Support Assistant - (Clerk Typist III) to develop, prepare and mail this notification to dealers on an annual basis and to review and approve training classes as required by this proposal.

The Motor Vehicle Bureau would also incur costs for 4 mailings per year including the form, envelopes and postage. Cost for FY03 = \$3,960 (6 months) FY04 = \$8,158 FY05 = \$8,403.

To implement this legislation, the Department of Revenue will require additional funds. In the past, the programs included in this legislation have been paid for with highway funds. This year, however, highway funds may not be available for this purpose as a result of legislation enacted by the General Assembly in 2000 that limits the use of highway funds.

If highway funds are not available, then another source of funding must be identified to pay for the cost of implementing this legislation.

Oversight assumes the DOR could absorb the costs to develop, prepare, and mail the notifications to the dealers and to review the approved training classes as required by this proposal.

In response to an earlier version of legislation, officials from the **Secretary of State (SOS)** assume the **Department of Revenue** will promulgate rules to implement this bill. These rules would be published in both the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Revenue could require as many as 6 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because of cost statements, fiscal notes and the like are not published in the Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00 and the estimated cost of a page in the Code of State

Regulations is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. The SOS estimates the cost of this legislation to be \$369. $[(6 \times \$27) + (9 \times \$23) = \$369]$

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Missouri State Highway Patrol, Department of Economic Development and Department of Transportation** assume there would be no fiscal impact to their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would directly impact small businesses involved in the sale of used motor vehicles.

DESCRIPTION

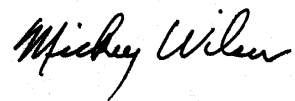
Effective January 1, 2003, every application for issuance or renewal of a used motor vehicle dealer's license must be accompanied with evidence that the applicant has completed a six-hour educational seminar.

The seminar must cover statutory dealer requirements, rules, enforcement and administration, Department of Revenue requirements, and other information designed to promote good business practices.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Department of Transportation
Secretary of State
Department of Economic Development
Missouri State Highway Patrol

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
March 8, 2002